



# Innovative Housing Programs

**U.S. Department of Housing and Urban Development**

***Antonio R. Riley, HUD Midwest Regional Administrator***

***Rockford, Illinois***

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# Regional Housing Initiative

# RHI: How it Works

- Since 2002, RHI has operated a *virtual pool* of project based vouchers contributed by each housing authority.
- Through a single competitive application, developers can access PBVs for developments that meets regional priorities and goals
- RHI efforts are supported by IHDA's Qualified Allocation Plan, which provides extra points for applications using RHI resources.
- Developments must support the Metropolitan Mayors Caucus Housing Endorsement Criteria:

Woodstock Commons,  
McHenry County



# Chicago Regional Housing Choice Initiative (CRHCI): Goals

1. Better serve low-income voucher holders by improving their locational and experiential outcomes through both tenant-based and project-based opportunities;
2. *Align Housing Choice Voucher allocations with local and regional plans and priorities;*
3. Reduce the administrative costs and burdens for participating PHAs;
4. Demonstrate the efficacy of creating regional housing referral and waiting lists;
5. Gather research and data to inform future federal housing rental assistance policy and programs.



**Waukegan  
Housing  
Authority**



*A Home for Everyone*



**The Preservation Compact**  
A Rental Housing Strategy for Cook County

## Four ways new CRHCI Pilot promotes opportunity moves:

1. Improving the project-based Regional Housing Initiative;
  - More sophisticated, choice-oriented marketing
  - Centralized regional list
  - Housing counselor support
2. Establishing shared definition of “opportunity area,” and launching streamlined briefing strategy encouraging mobility moves to opportunity areas for all eight PHAs -- offering tenant-based voucher holders either:
  - mobility counseling and a \$500 grant, or;
  - only a \$500 grant
  - (both will be compared to “no service” group)
3. Creating Portability Advocate position(s) through Housing Choice Partners
4. Evaluating household outcomes.

# RHI Outcomes Since 2002

- Early applications came from Chicago supportive housing developers;
- As state and municipal incentives increased, so did interest and capacity and suburban opportunity area developments;
- 345 RHI subsidies have been approved within 28 developments, supporting 1,719 apartments in mixed-income housing communities.
- 9 developments were submitted since start of CRHCI, 7 in opportunity areas. 4 already moving forward (included in above count)
- Most RHI apartments now in opportunity areas.
- Developments increasingly require a transfer of budget authority or permission to operate in another jurisdiction.

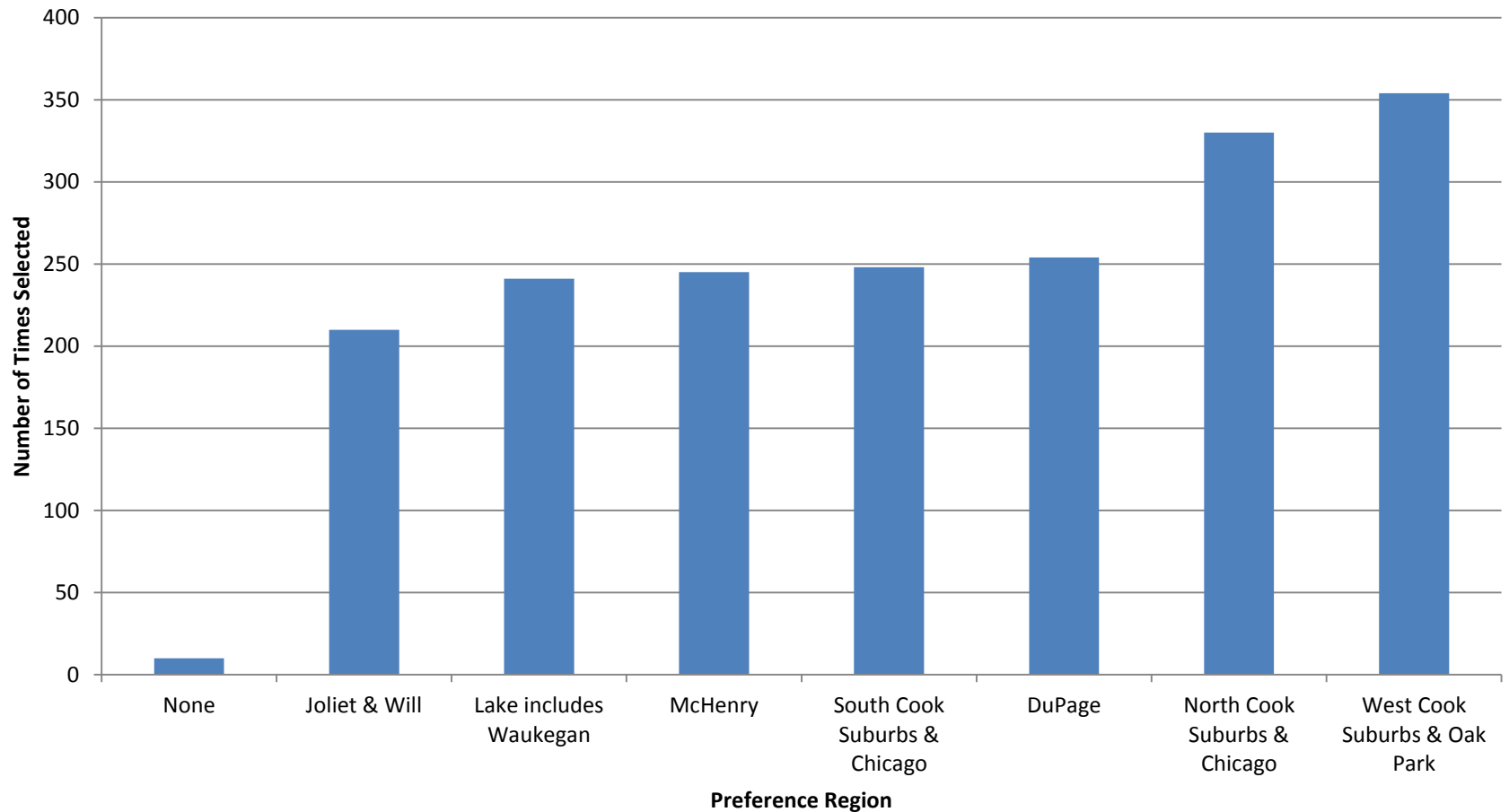
**Pedcorp's Village Apartments, Lake County**



# Interim Pilot Findings

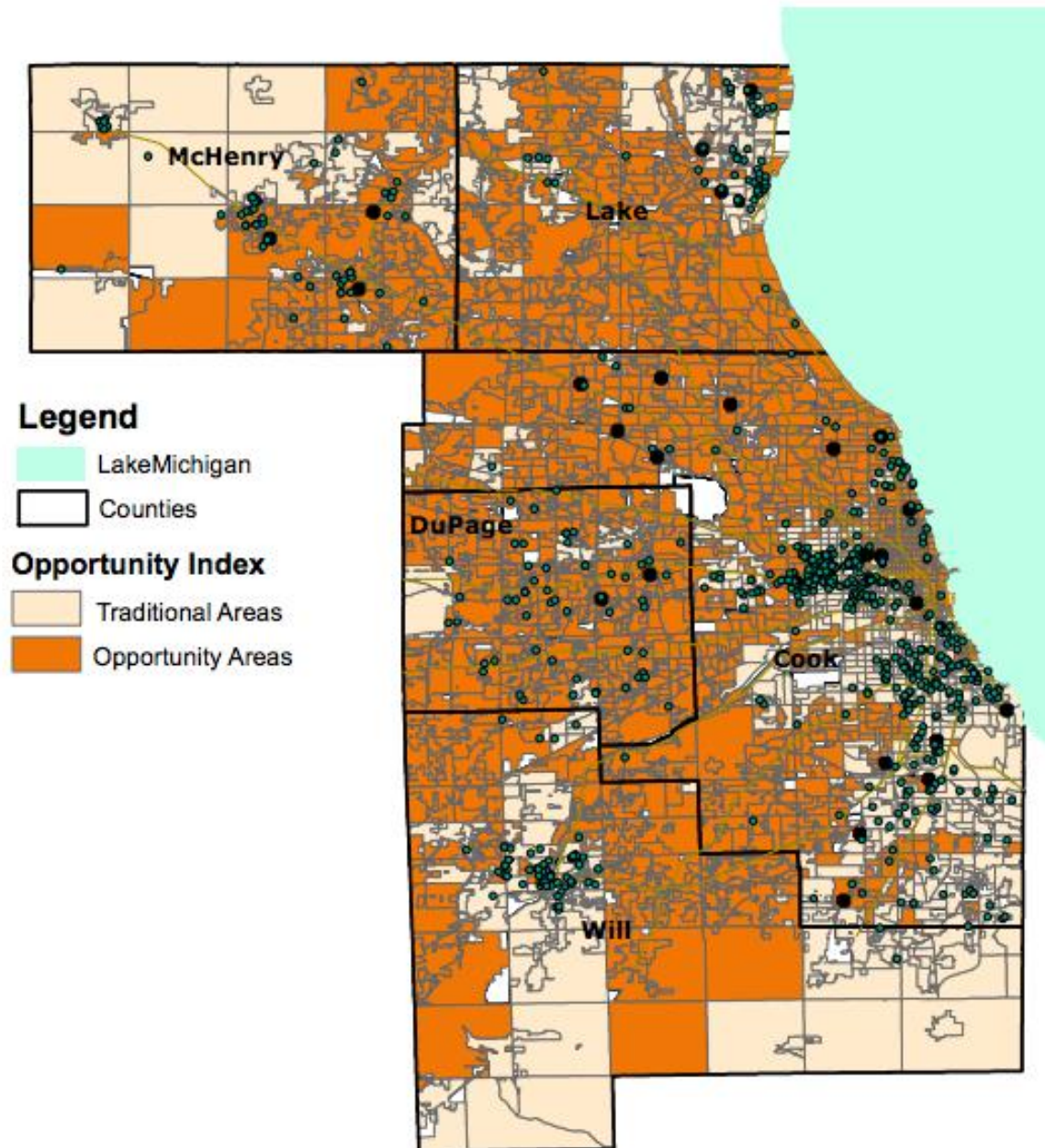
- Partners have already helped nearly 200 households to make mobility moves through the various strategies piloted;
- The advent of a portability advocate appears to be providing efficiencies to PHAs and participating households alike;
- While families receiving “financial incentives and counseling” and those receiving “financial incentives only” are both moving to opportunity areas, early findings suggest that those receiving counseling, experience a marked improvement in the quality of schools attended by their children;
- The new regional project-based referral list is creating efficiencies for the lease-up for the 20+ rental properties funded with rent subsidies through this regional collaboration.

# Sub-regional Breakdown of RHI Waiting List

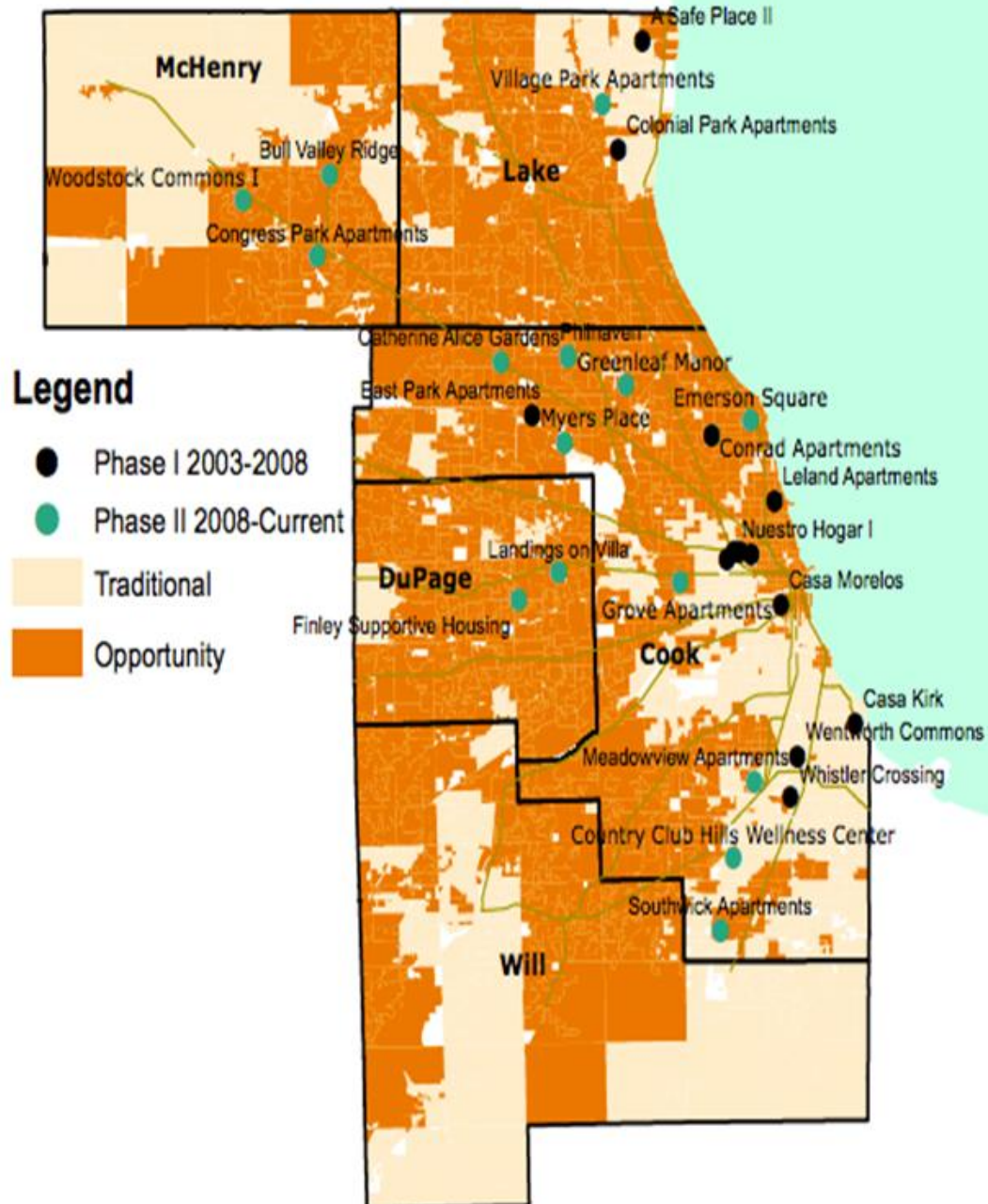




## Location of Households on the RHI Waiting List



# Regional Housing Initiative Developments Opportunity Index Overlay



# CRHCI: Defining Opportunity Area

- Housing Stability index
- Homeownership rate
- Percent loans low-cost (re-fi)
- Percent loans low-cost (new purchase)
- Percent vacant
- Percent crowded
- Job Access index
- Tract-level job counts
- Tract-level job worker counts
- Origin destination flows
- Aggregate Commute time
- Tract-tract average commute time by mode
- Transit Access
- Distance to fixed rail
- Poverty Index
- Family poverty rate
- Percent households receiving public assistance
- Labor Market Engagement Index
- Unemployment rate
- Labor force participation rate
- Percent with a Bachelor's or higher
- School Performance Index
- School math proficiency/State math proficiency
- School reading proficiency/State reading proficiency



# Rental Assistance Demonstration

**RAD**

# FIVE THINGS YOU SHOULD KNOW ABOUT RAD PUBLIC HOUSING CONVERSIONS

- 1.** RAD allows public housing agencies to **leverage public and private debt and equity in order to reinvest in the public housing stock**. This is critical given the 25.6 billion dollar backlog of public housing capital improvements.
- 2.** In RAD, units move to a Section 8 platform with a long-term contract that, by law, must be renewed. This ensures that the units remain **permanently affordable to low-income households**.
- 3.** Residents continue to pay 30% of their income towards the rent and they maintain the **same basic rights** as they possess in the public housing program.
- 4.** RAD **maintains the public stewardship** of the converted property through clear rules on ongoing ownership and use.
- 5.** The RAD program is cost-neutral and does not increase HUD's budget. This program simply shifts units from the Public Housing program to the Section 8 program so that providers may leverage the private capital markets to make capital improvements.



# WHY RAD—PUBLIC HOUSING?

## Public Housing Inventory

- ~ 1.15 million units across 3,100+ PHAs
- Capital repair needs in excess of \$25.6B across portfolio (\$23,365/unit)
- Public Housing funding platform unreliable (pro-rations, appropriation cuts), limited access to debt/equity capital (declaration of trust)
- Losing 5,000-10,000 hard units/year







# RAD KEY GOALS

RAD allows selected Public Housing, and at-risk assisted Multifamily “legacy” programs to convert their form of assistance to long-term Section 8 Housing Assistance Payment (HAP) contracts

## Key RAD Goals

- Build on the proven Section 8 platform
- Leverage private capital to make needed repairs and preserve affordable housing units
- Offer residents greater choice and mobility





# RAD OPPORTUNITIES



- Gives PHAs tools to be market-driven affordable housing developers
- Offers streamlined access to FHA financing with historic low rates—3.45% for 40/yr amortization
- Maximizes leverage of 4% & 9% LIHTC deals by providing RAD rents & stable Section 8 contract
- Streamlines Legacy Programs onto existing platforms





# RAD WEB PAGE

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RAD Notice, application materials, and additional resources can be found at

[www.hud.gov/rad](http://www.hud.gov/rad)

Email questions to [rad@hud.gov](mailto:rad@hud.gov)



# Moving to Work

# MTW Demonstration Program

- Allows Public Housing Authorities to
  - Design and test innovative, locally designed strategies
  - Help residents find employment and become self-sufficient
  - Increase housing choices for low-income families
- MTW gives PHAS exemptions from many HUD rules and grants more flexibility in use of Federal funds

# MTW Objectives

- Reduce cost and achieve greater costs effectiveness in Federal expenditures;
- Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- Increase housing choices for low-income families.

# MTW Activities

Cost Savings	Self Sufficiency	Housing Choices
<ul style="list-style-type: none"><li>•Using the MTW block grant to leverage funds</li><li>•Streamlining HUD processes</li><li>•Redesigning HUD forms</li><li>•Risk-based inspections</li><li>•Rent simplification</li></ul>	<ul style="list-style-type: none"><li>•Linking rental assistance with supportive services</li><li>•Escrow accounts</li><li>•Earned income exclusions</li><li>•Increased case management services</li><li>•Self sufficiency requirements</li></ul>	<ul style="list-style-type: none"><li>•Developing mixed-income and tax credit properties</li><li>•Foreclosure prevention, mortgage assistance and homeownership programs</li><li>•Increasing the percentage of project-based vouchers</li></ul>

# HUD Community Development Programs

# CPD Funded Programs

- HOME
- Community Development Block Grant (CDBG)
- Section 108 Program

# HOPE VI/Choice Neighborhoods



# Winnebago County HOPE VI

